



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
OFFICE OF FINANCIAL AND INSURANCE REGULATION
R. KEVIN CLINTON
COMMISSIONER

STEVEN H. HILFINGER
DIRECTOR

Memorandum

DATE: August 31, 2011

TO: Health Insurance Issuers

FROM: Amy Allen, Deputy Commissioner
Health Plans Division

SUBJECT: September 1, 2011 Rate Filing Requirements

As you are likely aware, new filing requirements for health insurance rates take effect on September 1, 2011 under the Affordable Care Act (ACA)+. There will be filing requirements at both the state and federal level. Bulletin 2011-14-INS was issued on July 22, 2011 to implement filing requirements at the state level that bring Michigan into compliance with filing requirements under the ACA. We are providing a list of Frequently Asked Questions with this memo to clarify the requirements of bulletin 2011-14-INS.

State Requirements

Currently, all markets in Michigan file individual health insurance rates (HMOs, Blue Cross Blue Shield of Michigan and Commercial insurers). HMOs and Blue Cross Blue Shield of Michigan also file both large and small group rates. Pursuant to bulletin 2011-14-INS issued by Commissioner Clinton on July 22, 2011, the commercial industry will be required to also file *small group* insurance rates beginning September 1, 2011. All rate filings must be submitted through the System for Electronic Rate and Form Filing (SERFF). A new form, the Rate Summary Worksheet, has been included in SERFF and will be required for all individual and small group filings. We have included a list of Frequently Asked Questions with this memo to clarify the requirements of bulletin 2011-14-INS.

Federal Requirements

Any proposed rate increase equal to or above 10% for the individual and small group market must be submitted to the federal Center for Medicare and Medicaid Services (CMS) through the Health Insurance Oversight System (HIOS). CMS sent a communication to health insurance issuers on July 22, 2011 with information about registering for access to the HIOS system and to register for the training webinars. CMS sent several communications thereafter reminding issuers to register with HIOS and for the webinars.

If you have not yet registered with HIOS or taken the training webinars, we strongly encourage you to do so immediately. As of September 1, if you submit a rate increase in SERFF equal to or above 10% for an individual or small group product, you must also submit the required information through the HIOS system. Your SERFF filing will not be considered complete unless you also submit the filing in HIOS.

Finally, please also be advised that as part of being deemed to have an effective rate review program, we are required to post on our website Parts I and II of the Preliminary Justification form, which is submitted to the state and in HIOS for proposed rate increases of 10% or greater. We are also required to provide a mechanism for the public to comment on proposed rate increases. We will be posting a link on our website to the preliminary justification forms and we have established a dedicated email, healthratecomments@michigan.gov, which may be used to comment on specific rate filings.

Below are links to information for obtaining HIOS access and information about filing in HIOS.

July 29, 2011

[Rate Review Instructions Manual: State Rate Review Determination Instructions and Reporting Requirements](#) (PDF – 56 KB)

[Rate Review Instructions Manual: Health Insurance Issuer Reporting Requirements](#) (PDF – 227 KB)

[Rate Review Training Slides: States](#) (PDF – 1,146 KB)

[Rate Review Training Slides: Issuer Module 1 \(Reporting Requirements\)](#) (PDF – 3,084 KB)

[Rate Review Training Slides: Issuer Module 2 \(Preliminary Justification\)](#) (PDF – 311 KB)

[Rate Review Training Slides: Issuer Module 3 \(Subject to Review Threshold\)](#) (PDF - 230 KB)

August 1, 2011

[Rate Review System: Technical HIOS Instructions for States and Health Insurance Issuers](#) (PDF – 3 MB)

August 22, 2011

[Rate Review Training: Frequently Asked Questions for Week Ending August 5, 2011](#) (PDF - 63KB)

Please feel free to contact the Health Plans Division at (517) 241-4549 if you have any questions.